## Property Tax Postponement - Frequently Asked Questions

1. When does the new Property Tax Postponement (PTP) program take effect?

The new PTP takes effect on July 1, 2016.

2. When can I apply for postponement?

Applications will be accepted beginning September 1, 2016. Applications will be approved and funded on a first-come, first-serve basis as long as funds are available. You must file an application for each new fiscal year.

3. What are the eligibility requirements?

## You must:

- Be at least 62 years of age, or blind, or disabled;
- Own and occupy the property as his or her principal place of residence;
- Have a total household income of \$35,500 or less; and,
- Have at least 40% equity in the property each year an application is submitted.
- 4. What is the definition of disabled?

Generally, a person is considered disabled if he or she is unable to engage in any substantial gainful activity due to a physical or mental impairment that is expected to last for a continuous period of 12 months or longer. Proof of disability is required every year.

- 5. Does the State take title to the property once the application is approved?
  - No. The State places a lien on the property, but title to the property does not change.
- 6. I was previously in the program and met the 20% equity requirement, do I still qualify?
  - No. You must have 40% equity to be eligible for the program.
- 7. Will a refinance or equity loan affect a claimant's eligibility?

A claimant who refinances or has an equity loan may not have sufficient equity in his or her home to qualify for postponement. You must have 40% equity to be eligible for the program.

8. Will a refinance affect an existing PTP account?

Yes. A refinance requires immediate payment of an existing PTP loan in full.

9. Will a reverse mortgage affect a claimant's eligibility or PTP account?

Yes. If you have a reverse mortgage, you are not eligible for the postponement program. If you have an existing PTP loan and obtain a reverse mortgage, the loan is immediately due and payable.

- 10. Once my PTP account is established, may I request a subordination of the PTP lien?
  - No. Subordinations are not allowed.

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11. When does the loan become due and payable?

The loan becomes due and payable when the claimant moves, sells, dies, changes title on the property, becomes delinquent on a senior lien, was erroneously approved into the program, refinances home, or participates in a reverse mortgage.

12. What is the rate of interest on the PTP loan?

Beginning July 1, 2016, the rate of interest shall be 7% simple interest per annum. Example: On a \$1,000 PTP account balance x 7% simple interest = \$70.00 interest per year; \$70.00 divided by 12 months = \$5.83 in accrued interest each month.

13. If I apply to the program and am not approved will I be subject to penalties and interest for the current fiscal year taxes?

Yes. If you apply to the program and are denied, you are subject to penalties and interest as your first and or second installment of taxes may become delinquent. Do not stop paying your taxes.